

First Things First



■ IS IT STILL SPRING? Not really, but this spring issue is coming out later than usual because of news you've probably followed closely in the headlines. For months, local leaders were working feverishly on proposals to bring a \$1.1 billion biologics manufacturing plant to the Lee County Industrial Park. Early in June, Bristol-Myers Squibb decided to locate its facility in Devens, Mass., instead. But publication of Economic Indicators was delayed several times during that period to wait for breaking news that never broke. In our summer edition, Economic Indicators will feature a short retrospective on the effort to bring the biologics plant to Sanford.

■ THE INDUSTRIAL EDITION IS COMING SOON. The Sanford Herald's annual Industrial Edition, an award-winning showcase of local industry, is slated for publication in late September. "Textures of Industry," this year's edition, takes an up-close, graphic look at area manufacturing and features a contest to discover which readers are paying particularly close attention to local industry. To advertise in the edition, contact Candy Taylor at ctaylor@sanforherald.com or 919.718.1259.



Inside this issue

2 This End Up found just what it needed to expand, says Kevin Kelly, in the local "building inventory."

3 Small-business leaders are honored at EXPO 2006 for their excellence and contributions to the community.

No. 19 ■ SPRING 2006

100 Economic Indicators

Recycling Space

This End Up shows how everyone can win

When Kevin Kelly needed more space for his expanding furniture plant, he reviewed all of the options and took a route some don't consider right away. He renovated an older building and found just what he needed in the newly-recycled space.

The story of This End Up, which Kelly outlines on page two, is a good example of how companies can secure the space and function they need, while enhancing both the company and its community.

Time and Money

Each project is different, but This End Up was able to renovate the old Avondale building on Seventh Street in Sanford quicker and cheaper than building new.

Joni Martin, who redevelops historical property for Progressive Contracting Co. in Sanford, isn't surprised. She says buildings allow companies to use the existing infrastructure — often reducing costs and avoiding the hassle of requesting incentives for utilities.

Other savings may crop up in the permitting and inspections process. Assuming the building is structurally sound, says community development director Bob Bridwell, "adaptive reuse" can almost eliminate the time and expense of dealing with footings, load bearing and other common concerns.

There can be other benefits, too: lower construction costs, elimination of urban blight and related crime, preservation of



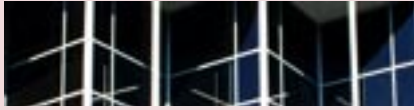
historical structures, and the "statement" companies can make with unique, attractive architectural features.

Making It Work

Even outside, older buildings can look far different when the renovation is done. So, Martin helps clients envision their new space by providing plenty of pictures and architectural renderings.

Recycling space, done well, works for everyone — which is why, Bridwell says, everyone works together to make "adaptive reuse" projects successful.

"I'm a huge proponent," Martin says about these renovations. "It's crazy for us not to use what we've already got."



POINTS OF VIEW

KEVIN KELLY

Existing buildings offer options for expansion

A great brand and loyal customers forced Sanford-based This End Up to expand its manufacturing and warehouse operations in mid 2004. Our key drivers were minimal disruption to operations, staying close to our employee base, being under one roof and having room for further expansion.

After evaluating a number of options — from expanding the company's existing facility, utilizing multiple facilities, moving to a larger facility under one roof in Sanford or a greenfield approach — the solution was clear. There were existing properties available in Lee County that would meet our needs. Key to our decision was a timely move. Expansion would have been disruptive and slow, multiple facilities inefficient, and a greenfield too slow and expensive.

With Bob Heuts' assistance, we identified three facilities that met our needs. In the end, our decision was clear. We chose an existing facility roughly twice the size of what we were looking for. Completely renovated, we are in an ideal facility and met all our key drivers and have enough space for further expansion.

Today, the company's needs have been met, employment has remained in Lee County and a facility that had fallen into a state of disrepair and was a bit of an eyesore has been renovated. The process has been a win for all: the company, employees and community.

Kevin Kelly is chief executive officer of This End Up.

Common sense can lead to success, if you're willing to put it into action

Reminding his audience that "knowing is not enough," management guru Bud Bilanich challenged local leaders on May 3 to learn important lessons from the nation's high-performing companies. But, most importantly, to put that essential, "common sense" knowledge into action.

Bilanich's presentation to the Committee of 100 focused on insight from three decades of working with some of America's best-known companies, including Pfizer, Johnson and Johnson, Citicorp, JP Morgan Chase and AT&T.

The keys to success, according to the self-proclaimed "Common Sense Guy" are simple. Create clarity. Develop commitment. Improve execution. And, build relationships.

Some examples Bilanich cited:

▶ Continental Airlines *creates clarity* by keeping core principles in front of everyone in and around the organization, including customers. That allows companies to know

what "they've signed on for" and move in the same direction.

▶ Though *developing commitment* can be accomplished by simple forms of recognition, Starbucks has taken it a step further by providing health insurance for any employee working 20 hours or more each week — and allowing those same employees to participate in a contribution-matching 401(k) program.

▶ Chipolte Mexican Grill *executes its core mission* particularly well by focusing on making custom-made tacos and burritos using only fresh, high-quality ingredients.

▶ Because one Pfizer plant *forged a strong relationship* with its community, the

company maintained production and local support when an accidental emission triggered an environmental health concern. "Common sense ain't all that common," he told the group, "because it takes a lot of hard work to make it work."

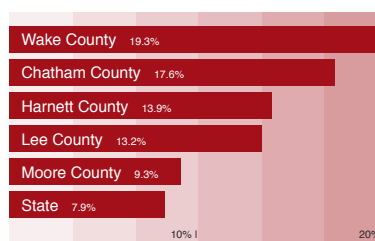


Bud Bilanich, in his typically-energetic style, makes a point on leadership during his presentation in Sanford.

THE REGION AT A GLANCE

Sanford 'Grows'. Sanford's official population recently expanded almost overnight, when the U.S. Census Bureau revised the city's 2004 population estimate from 23,530 to 26,710. The change also pushed the official county population from 49,162 to 54,417.

Here are some estimated population changes from April 1, 2000, through July 1, 2005. *Source: U.S. Census Bureau.*



Economic Indicators

Economic Indicators is a quarterly newsletter of the Lee County Committee of 100, an organization of business men and women committing their time, energy and resources to enhance the economic well-being of Lee County and its citizens.

For information about membership, contact the Lee County Committee of 100 Inc., P.O. Box 4846, Sanford, N.C., 27331-4846. 919-774-8439 (phone). 919-775-5410 (fax). info@lcedc.com (e-mail). News and letters for *Economic Indicators* may be sent to the editor at news@lcedc.com.

Copyright © 2006 by the Lee County Committee of 100. All rights reserved.

Small business awards announced

Several area business leaders were honored in May, when awards were presented at EXPO 2006, Lee County's annual small business showcase.

Awards are presented by the Sanford Area Chamber of Commerce with the cooperation of Central Carolina Community College's Small Business Center.

Shelley S. Kelly, president of Kelly MarCom Inc., was named Small Business Owner of the Year. Kelly leads a Sanford-based marketing firm offering consulting, marketing communications and public relations services.

Donald F. Andrews Jr., a principal in the Lee-Moore Insurance Agency Inc. in Broadway, was presented the Small Business Advocate Award. Andrews' company has provided a wide range of insurance to families and individuals since 1976.

In addition to the two annual awards, a Heritage Award was presented for the first time to Frank Perry of Lee Brick and Tile and Hugh Perry of Perry Brothers Tire Service to recognize the Perry family's longtime investment in Lee County's economy and their contribution to improving the community.

Jim Felton, director of the Small Business Center, said the small-business awards were among the most prestigious presented locally to business leaders.

"These are the folks who rise to the top and are role models, examples for all of us," he said. "It's an honor for the chamber and the college to recognize these outstanding leaders."

ANOTHER BIG SCORE FOR SANFORD



SCORE ENERGY OPENED IN MAY with a formal ribbon-cutting ceremony followed by a buffet reception at the company's new facility in Sanford. Charles Ritchie, left, chairman of Score Group PLC, which includes Score Energy, explains a live video feed of engine testing taking place at the company's home base in Scotland. Score Energy's local facility will recondition gas turbine engines used to produce backup energy at electrical plants.

Lee County featured in North Carolina magazine

Lee County received statewide attention in early July, when North Carolina magazine published a community profile focusing on local business and industry, education and the arts. Since 1943, North Carolina magazine has featured articles on business management, politics, trade, finance and economic growth. It is read each month by 65,000 leaders across the Old North State.

The entire July issue is on line at www.nccbi.org/NCMagazine/2006/Julyissue.pdf, and printed copies of the Lee County profile are available from Lee County Economic Development at 919.774.8439 or info@lcedc.com.

Sanford Pottery Festival holds fifth annual show

Though some said it could never be done, the Sanford Pottery Festival celebrated its fifth anniversary in May with another widely-acclaimed show featuring the top pottery studios from North Carolina and seven other states.

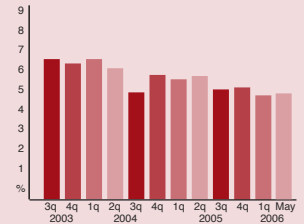
Despite abysmal weather on the second day, about 6,000 visitors attended the show.

Planners are already crafting the 2007 festival, which will focus on drawing guests to downtown Sanford.

"We're hoping there will be regular shuttle service from the event," said organizer Don Hudson. "We want people to visit downtown and then come back through the year."

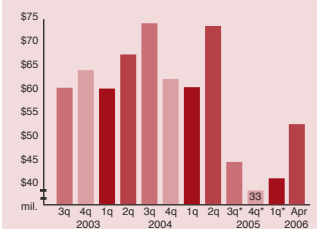
Economic Indicators

unemployment



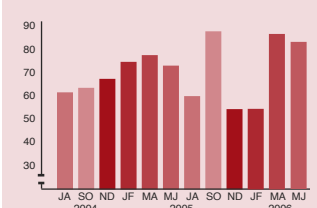
Lee County unemployment was 4.8 percent in May, well below the 5.3 percent posted one year ago. The labor force estimate stands at 26,232. The statewide seasonally-unadjusted rate: 4.6 percent in May, just two-tenths of a point lower than Lee. April's local rate of 4.3 percent was the lowest since December 2000 (4.2 percent). Data listed from the last month of each quarter.

retail or taxable sales



Taxable sales for Lee County totalled \$52.131 million in April, the most recent report, the highest figure since January. For Sanford: \$36.167 million. Figures reported from last month of each quarter. *Due to changes in the state reporting methods, figures through the second quarter of 2005 report gross retail sales, while later figures are for taxable sales.

building permits



Lee County issued an estimated 83 building permits for new residential construction in May and June, sustaining a construction boom that began early this year. Figures show total permits issued over a two-month period from Lee County and do not include apartment or commercial construction.

area industrial closings

No area closings reported.

August 2006

1 Downtown Sanford Inc. Board.
8 a.m. Lee County EDC Office, 226 Carthage Street. Contact David Montgomery, 919.775.8332 or downtown@sanfordnc.net.

2-3 RTRP Regional Advisory Council.
Economic Development Summer Retreat. Mid Pines Inn and Golf Club, 1010 Midland Road, Southern Pines. Contact Bob Heuts, 919.774.8439 or info@lcedc.com.

17 Lee Co. Economic Development Corp. Strategic planning session led by Ted Abernathy, executive vice president of the Research Triangle Regional Partnership. 8 a.m. through lunch. Lee County EDC Office, 226 Carthage Street. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

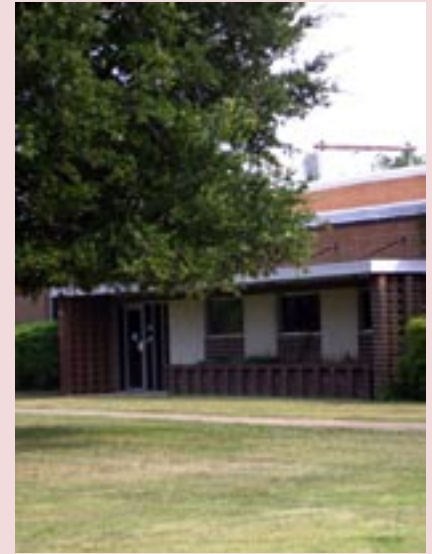
September 2006

5 Downtown Sanford Inc. Board.
8 a.m. Lee County EDC Office, 226 Carthage Street. Contact David Montgomery, 919.775.8332 or downtown@sanfordnc.net.

14 Central Carolina Society for Human Resource Management.
Half-Day Seminar with HCRI Credits. 8 a.m. to noon. Chef Paul's Café, 610 E. Main Street, Sanford. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

Upcoming CCCC Seminars

- **Real Entrepreneurship Through Action Learning (REAL) for Business Owners.** Wednesdays, Aug. 23 to Dec. 6, 6 to 9:45 p.m., \$152.
- **Quickbooks for Business.** Mondays and Wednesdays, Sept. 18 to Oct. 23, 5:15 to 7:15 p.m., \$55.
- **Business Record Keeping & Taxes.** Tuesday, Sept. 19, 6:15 to 8:45 p.m., free.
- **Finding & Writing Grants.** Tuesday, Oct. 10, 6:15 to 8:45 p.m., free.
- **Military Business Opportunity Workshop.** Thursday, Oct. 19, 6:15 to 8:45 p.m., \$5 refreshments.
- For more information, contact Betty Pace, 919.774.6442, bpace@cccc.edu.

**FOCUS on Industrial Sites**

With rail service and easy access to U.S. 421, the Eagle Electric building offers 100,300 square feet of office and light manufacturing space on more than 50 acres in the Sanford city limits. For other available sites in Lee County, visit www.lcedc.com, click on "Buildings & Sites," and select either buildings or sites.

Economic Indicators

Lee County Committee of 100 Inc.
P.O. Box 4846
Sanford, NC 27331-4846